

A female athlete with blonde hair in a ponytail is in a starting crouch on a track. She is wearing a grey and white striped sports top and grey shorts. The background shows a stadium with a bright sunset or sunrise, creating a lens flare effect.

DYACO 岱宇國際

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Stock Code : 1598

Presenter : Paul Chung
(IR manager)

Agenda

- Company overview
- Competitive advantages
- Operating results
- Future outlook



Company Overview

Basic Information

Date of Establishment: 1990/06/02

Head Office : Taipei, Taiwan

Factory : Changhua, Taiwan
Dongguan, Jiaying, China

Capital : NTD 930 million

Main products : Fitness equipment

Chairman: LIN ING-GIN

General Manager: CHEN MING-NAN

No.of Employees: 1,500

Brands:



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Company Overview

2016~3Q19 analysis by brand

Main brands	SOLE FITNESS	XTEERRA	fuel FITNESS	SPIRIT FITNESS	UFC
Percentage of sales (%)	2019Q3 : 41% 2018 : 39% 2017 : 41% 2016 : 45%	2019Q3 : 21% 2018 : 11% 2017 : 4% 2016 : 7%	2019Q3 : 1% 2018 : 2% 2017 : 3% 2016 : 3%	2019Q3 : 27% 2018 : 25% 2017 : 29% 2016 : 21%	Early development
Mid range product prices		Treadmill, Elliptical and Exercise bike			Combat , Strength training, accessories, etc
Mid range product prices	Treadmill : 1,449 Elliptical : 1,374 Exercise bike : 899	Treadmill : 899 Elliptical : 999 Exercise bike : 599	Treadmill : 699 Elliptical : 499 Exercise bike : 399	Treadmill : 1,959 Elliptical : 2,032 Exercise bike : 1,399	-
Main distribution channels	Exclusive stores, department stores, retail chains, online				

註：3Q19、2018年營收比重以不含戶外家具收入計算。

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Competitive Advantages

Global Distribution Channels



Dyaco's brands cooperate with numerous distributors (which include the largest fitness distributors of North America, Europe, China and etc.) In addition, Dyaco also thrives to expand business in the ecommerce market.

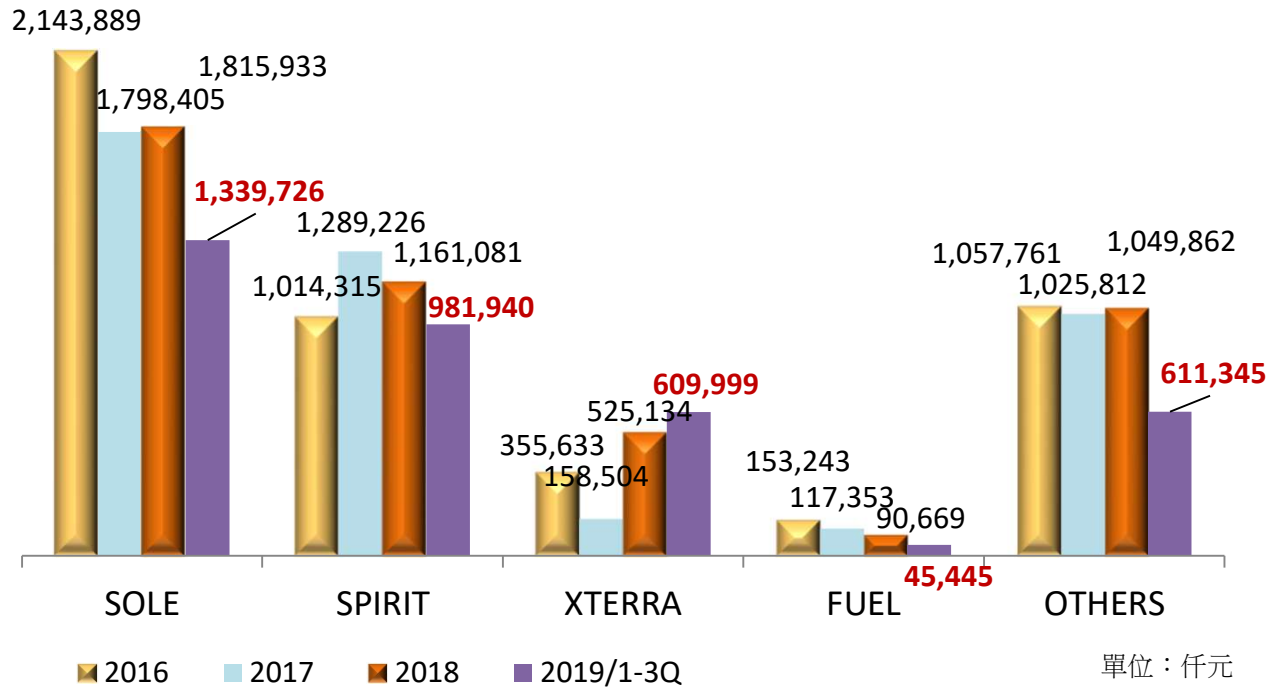


Operating Results

2017-2019/1-3Q Income Statement

in Thousands of NTD	2019/1-3Q	2018	2017
Operating income	4,171,971	5,557,150	4,457,716
COGS	2,970,236	4,029,751	3,187,027
Gross profit	1,201,735	1,527,399	1,270,689
Gross margin	28.80%	27%	28.51%
Operating expenses	1,039,627	1,539,755	1,294,916
Operating profit	161,509	85,090	-23,914
Operating profit margin	3.87%	1%	-0.54%
Non operating income(expense)	12,363	61,571	-177,197
Income tax expense	37,067	19,205	-35,208
Income after income taxes	136,805	127,456	-165,903
EPS	1.23	1.20	-1.62

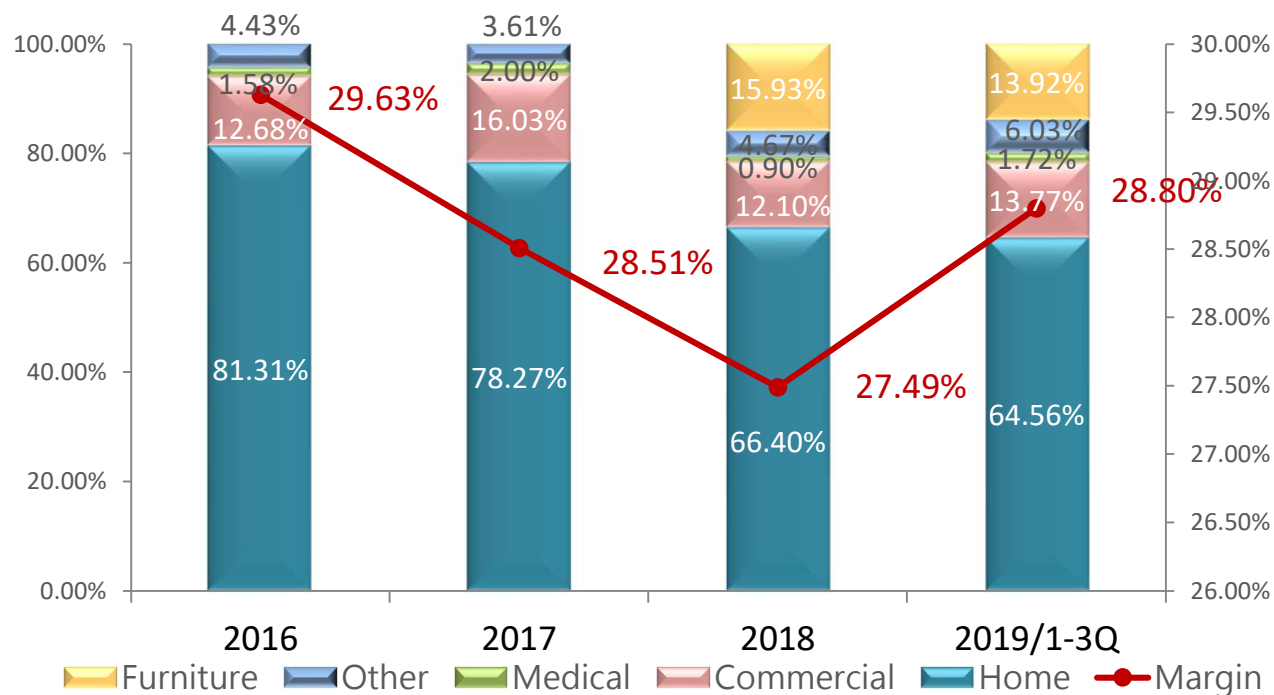
Brand marketing mix



- XTERRA aggressively expands the market of the mid-to-low-end home fitness equipment. Benefiting from Amazon.com., the revenue of XTERRA in the first three quarters this year has exceeded last whole year.
- The SPIRIT continuously expands its revenue and benefits from the booming sales in Europe, the U.S. and other regions. The first three quarters of this year increased by 22% compared with same period last year.

Operating Results

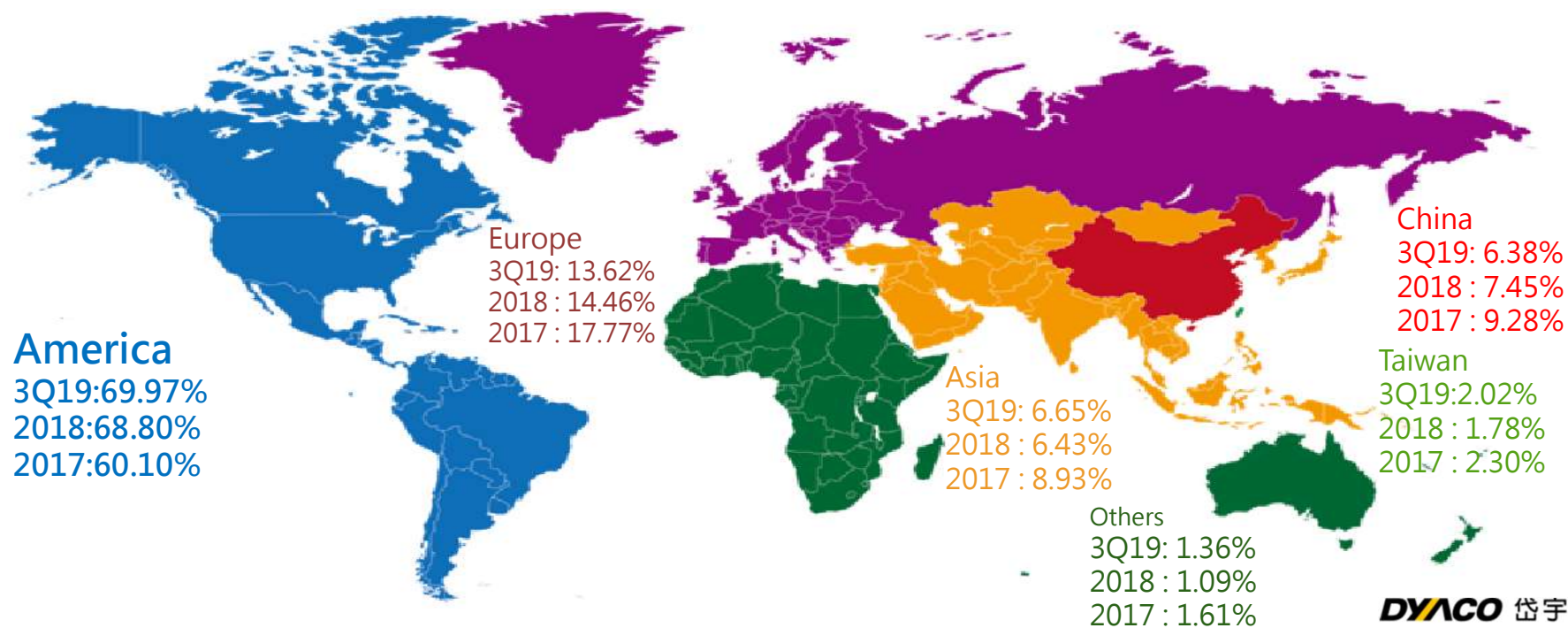
Product Mix & Margin



- After being merged by 錫頓 in 2018, the newly added income contribution of outdoor furniture has reduced the overall gross profit margin to 27.49%.
- With the increase in quantity of home fitness equipment and the expansion of commercial fitness equipment businesses, the production capacity of its Changhua plant in Taiwan and the Jiaying plant in China has remained at a certain level, and its gross profit margin has risen to 28.80% in the first three quarters..

Operating results

Revenue by Region



Future overlook

SOLE new style and upgrade on market

SOLE

FITNESS

- Modified upgrade 18 model products
- Import SOLE Fitness APP
- Full models to upgrade Bluetooth transmission function



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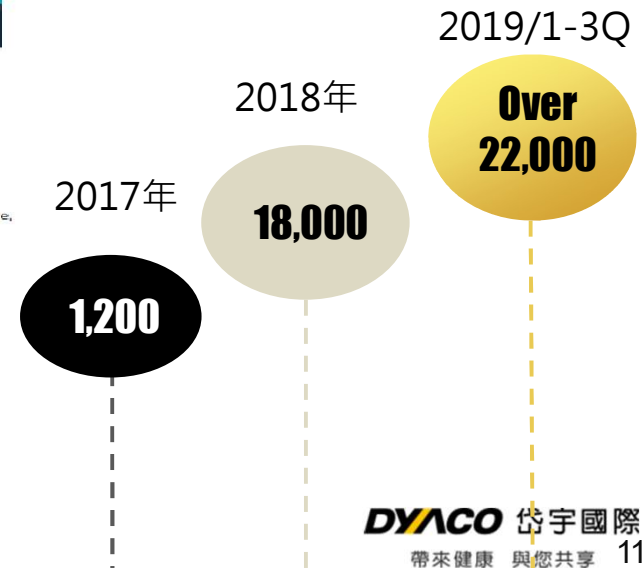
Future overlook

Expand the market share of home fitness

Sales targets for locking in a cost-effective, more popular home fitness equipment market demand
Amazon delivery sets over ten thousand levels, expand Xterra brand in home fitness equipment market share.



Amazon delivery sets



Future overlook

Improve the commercial fitness equipment line layout



UFC brand is the world's largest comprehensive fighting brand, has the world's largest pay-per-view TV customer base, accumulated a global fan base of 300 million.

Dyaco has completed the research and development and launched more than 200 kinds of fitness equipment products in total. It integrates the commercial fitness equipment of Gym 80, SPIRIT and other brands, provides customers with a complete set of commercial Gym equipment planning, and improves the competitive conditions of Dyaco in the market of commercial fitness equipment.

UFC brand has successfully launched the sales layout of amazon e-commerce platform and Dicks online mall in North America.

Future overlook

Application of polygonal products - deepening the market of medical rehabilitation and fitness equipment(1-1)

Dyaco further cooperated with Philips, the health science and technology life factory with a history of one hundred years. Dyaco obtained the authorization of Philips brand and provided complete cardiopulmonary exercise equipment solutions from home to business for the physical therapy and rehabilitation of the elderly and other equipment needed by Dyaco in the field of medical science and technology.



*飛利浦2017年年報指出，其醫療相關產品及服務截至目前已改善了13億人的生活。

Future overlook

Application of polygonal products - deepening the market of medical rehabilitation and fitness equipment(1-2)

Consumer (Home)



Recumbent



Upright



Recumbent Total Body Stepper



Treadmill

Commercial Medical



Recumbent



Upright



Recumbent Total Body Stepper



Recumbent Total Body Stepper



Treadmill **DYACO** 岱宇國際
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Future outlook

Application of polygonal products - deepening the market of medical rehabilitation and fitness equipment(2)



CogniBike

Dyaco cooperates with ASUS, TSUKUI and InterReha to develop a new generation of CogniBike for the prevention of Alzheimer's disease.



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Thank You!